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Foreign CROPS AND MARKETS

FOR RELEASE MONDAY, MARCH 5, 1956

MAR 5 1956

DEPARTMENT OF AGRICULTURE
NUMBER 10

VOLUME 72

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PUBLICATIONS RELATING TO U.S. FOREIGN AGRICULTURAL TRADE

Issued recently and available free upon request
(single copies) to persons in the United States
from the Foreign Agricultural Service, U. S.
Department of Agriculture, Washington 25, D.C.
Room 5922. Phone: REpublic 7-4142, Ext. 2445.

U.S. Agricultural Exports in Historical Perspective.

Sale of Tobacco Under Title I of Public Law 480 as of December 31, 1955.
Foreign Agriculture Circular FT 3-56.

Foreign Agricultural Trade Digest, February issue.

The Agricultural Situation in Malaya, 1955. Foreign Agriculture
Circular FATP 6-56

The Agricultural Situation in Japan. Foreign Agriculture Circular FATP
7-56

ISRAELI TOBACCO IMPORTS
CONTINUE UPWARD

Israeli imports of unmanufactured tobacco during the first 10 months of 1955 totaled 1.7 million pounds -- up 27.7 percent from the 1.3 million pounds imported during the corresponding period of 1954. Most of the increase occurred in larger takings of United States, Greek, and Yugoslav leaf. Takings of Turkish leaf declined substantially, probably due to a 37 percent increase in price over last year, as indicated by duty-paid imports. The price of Greek leaf increased only 16 percent.

Output of tobacco products during January-August 1955 totaled 3.2 million pounds -- up 4.8 percent from the 3.0 million pounds produced during the comparable period of 1954. Output of all tobacco products, except tobacc, increased over the same eight months of last year. Cigarettes alone increased about 5 percent; whereas, cigars and snuff increased 47.2 and 20.3 percent, respectively.

ISRAEL: Imports of unmanufactured tobacco during the
January-October periods, 1954-55

Country of origin	January-October 1954	January-October 1955
	<u>1,000 pounds</u>	<u>1,000 pounds</u>
United States.....	218	333
Turkey.....	569	310
Greece.....	397	869
Yugoslavia.....	-	125
Union of South Africa.....	101	20
Other.....	20	10
Total.....	1,305	1,667

Source: Statistical Bulletin of Israel - Foreign Trade, December 1955.

ITALIAN TOBACCO
CONSUMPTION UP

Italian consumption of tobacco products, as indicated by monopoly sales, during 1955 totaled 102.7 million pounds, an increase of 3.7 percent from the 99.0 million pounds consumed in 1954. Consumption of cigarettes and cut tobacco continued their upward trends at the expense of cigars, cigarillos and snuff. Cigarette consumption increased 4.7 percent over the preceding year and represented 83.4 percent of total monopoly sales in contrast to 82.5 percent during 1954. Consumption of cigars and cigarillos continued a decline that has been evident since 1946 when sales totaled slightly over 7 million pounds. Consumption of cut tobacco and snuff since 1947 has been relatively constant, fluctuating annually between 12-13 million pounds.

ITALY: Consumption of tobacco products, as indicated by monopoly sales, during 1955, with comparisons

Product	1953	1954	1955
	1,000	1,000	1,000
	<u>pounds</u>	<u>pounds</u>	<u>pounds</u>
Cigarettes.....	77,246	81,722	85,589
Cigars and cigarillos..	5,109	4,625	4,236
Other manufactured 1/	12,332	12,661	12,849
Total.....	94,687	99,008	102,674

1/ Includes cut tobacco and snuff.

Source: Bollettino Mensile di Statistica, November 1955, and Notiziario, December 1955.

PHILIPPINE LEGISLATION PROPOSES NATIONAL CIGAR FACTORY

A bill has been introduced into the Philippine House of Representatives to establish a National Cigar Factory, according to a recent report. The purpose is to establish a factory for the machine manufacture of cigars primarily for export to the United States, and for domestic consumption by low-income consumers.

The bill also establishes a minimum price that may be paid for native cigar tobacco. This price is 25 centavos per kilogram (about 5.7 U.S. cents per pound) for the lowest quality, with no other grades or qualities mentioned. The authorized capitalization is to be 20 million pesos (U.S. \$10 million) of which 9.8 million is to be appropriated from the general fund for financing the 49 percent of the stock owned by the government.

To finance this factory, it is proposed that 51 percent of the stock must be subscribed by farmers cooperative associations, through their national organization the Central Cooperative Exchange, that are affiliated with the Agricultural Credit and Cooperative Financing Administration (ACCFA). If local cooperatives do not have sufficient funds to subscribe to this amount of stock, the bill provides that the Philippine National Bank be required to loan them the necessary additional capital. The remaining 49 percent of the capital must be subscribed by the National Government through ACCFA.

Under the new Philippine Trade Agreement with the United States, a base quota of 200 million cigars, decreasing over a period of years, is provided for entry into the United States, duty-free. If the Philippine Republic is able to fill this quota, it would provide a substantial source of dollar earnings. The redevelopment of the United States' market to the prewar levels presents a difficult problem in view of consumer preference for established United States brands of cigars.

The pending legislation, if supported by native and flue-cured tobacco interests, could possibly over-ride the strong labor opposition. Labor unions strongly opposed mechanization in the tobacco manufacturing industry and have been successful in the past in preventing mechanization of the cigar industry. Also, the flue-cured producers are apprehensive regarding the proposed bill because they fear that additional government programs for tobacco might become so burdensome as to endanger their present preferred position. However, if a price support program of any magnitude were included in the proposed legislation, the flue-cured producers' support could be readily mustered.

TOBACCO PRODUCTION EXPANSION PLANNED IN GOLD COAST

The Agricultural Development Corporation of the Gold Coast plans to develop tobacco production on a large scale in the Northern Territories and British Togoland as the result of successful farm experiments. A former tobacco adviser to the Gold Coast Government has been employed and will operate from headquarters at Damango.

YUGOSLAV TOBACCO CROP RECORD HIGH

According to information contained in Tobacco (a monthly trade journal published in the United Kingdom) of February 1956, the 1955 Yugoslav tobacco crop was estimated at 94.8 million pounds, an all-time record high. This crop compares with the 1954 harvest of 64.4 million pounds, 1947-51 annual average of 59.6 million, and the 1935-39 annual average of 37.4 million pounds.

The quality of the 1955 harvest is slightly below that of the previous year due to excessive rainfall during the growing season. However, Yugoslavia expects to export about 33 million pounds of the 1955 crop, and if facilities for curing and storage can be increased, the total quantity exported may exceed their present estimate, according to trade sources.

TOBACCO INCLUDED IN RENEWED GERMAN-HUNGARIAN TRADE AGREEMENT

The German-Hungarian Trade Agreement was extended for one year following the conclusion of negotiations held at Budapest on August 4, 1955, between representatives of the two countries. The agreement is valid from July 1, 1955 through June 30, 1956. The new agreement, which supplements the original agreement of August 26, 1948, includes the equivalent of U.S. \$100,000 worth of Hungarian tobacco as one of the items to be exported in exchange for German goods.

BRITISH CONSUMER FOOD SUBSIDIES REDUCED ON BREAD AND MILK

Within the framework of a general anti-inflation program, consumer subsidies on bread and milk to the general public in the United Kingdom will be cut in half and result in an estimated annual Government saving of about \$106.4 million, according to Harold Macmillan, Chancellor of the Exchequer.

This will mean an increase in the cost to the consumer of about 1.2 U. S. cents for a 1-3/4 lb. national bread loaf, and an increase of about half a cent per pint of milk. The increase on bread will go into effect immediately, but the milk price increase will not take effect until July 1. The cost of school and welfare milk to children will not be affected. The milk guarantee and wheat guarantee prices to British farmers are not changed.

BOLIVIAN MEAT SHORTAGE
CONTINUES ACUTE

Bolivia is still experiencing a severe meat shortage in its principal cities. High costs for producing, slaughtering and transporting the meat, combined with fixed retail prices, have reduced supplies available in Bolivian market places. The Bolivian Government in an effort to ease the situation has decreed an additional subsidy of 19.2 cents per pound for firms bringing meat from the Beni district, and 12 cents per pound for all other meat brought to the market.

The Government has given tax exemptions and extended other privileges to a church relief agency so that food supplied by that agency can be distributed for relief purposes. Included among the foods now being distributed are 100,000 pounds of lard.

CANNED MEAT PRODUCTION
DECLINES IN AUSTRALIA

Canned meat production in Australia declined moderately during 1955 but remained at a high level compared to prewar. Production during the year ending June 30, 1955 was estimated at 86,220 short tons compared with 16,116 in 1939. During January-October the 1955 output totaled 70,680 tons compared with 74,632 a year earlier.

Due to wartime requirements, and postwar economic dislocation, demand showed a tremendous increase and reached a high during the fiscal year ending June 30, 1953 when production totaled 104,000 tons. A sharp decline was experienced during the following 12 months when 78,970 short tons of meat were canned. However, between July 1, 1954 and June 30, 1955 the production again rose to a total of 86,220 tons.

Total beef canned in the 1954-55 fiscal year was 56,516 tons, or 66 percent of the total. In addition, other canned products were 6,794 tons of mutton, 4,099 tons of pork and pork products, 2,917 tons of "camp pie" (mixed meat), 9,045 tons of other mixed meats, 1,399 tons of sausages, and 5,450 tons of meat and vegetable preparations.

Of the 291,503 tons of meat exported from Australia during the 1954-55 fiscal year, canned meat made up 61,413 tons (21 percent). Beef production in 1954-55 was 741,067 tons, carcass weight basis.

AUSTRALIA: Canned Meat Production,
Prewar and 1953-1955

Period	:	Quantity
	:	Short Tons
Year Ending June 30:	:	
1939	:	16,116
1953	:	103,808
1954	:	78,970
1955	:	86,220
	:	
January - October	:	
1954	:	74,632
1955	:	70,680

U. S. TALLOW AND GREASE EXPORTS
REACH NEW RECORD LEVEL

United States' exports of tallow and greases reached a record 1,311 million pounds in 1955 as against 1,198 million pounds in 1954. In 1935-39 such exports averaged only 21 million pounds. The high level of shipments during and since the war is largely the result of rapidly increased production and the declining use of inedible tallow and greases in the manufacture of soap. Of the total 1955 exports, all but 16 million pounds were classified as inedible products. The low prices and standard high quality of United States tallow and grease were factors contributing to the record export in the past year.

Western Europe continued as the major area outlet for United States inedible tallow and greases with 57 percent of the total shipments. Shipments to the Netherlands, the largest single destination, Italy and Belgium were up substantially and exports to Western Germany were down only slightly.

UNITED STATES: Exports of Inedible Tallow and Greases
By Country of Destination, Average 1935-39,
Annual 1953-55.

(1,000 pounds)

Continent & Country	Average 1935-39	1953	1954 1/	1955 1/
<u>North America:</u>				
British West Indies	6	2,128	2,912	-
Canada	4,352	16,414	13,440	19,542
Cuba	1,076	27,710	31,926	28,864
Dominican Republic	264	4,468	3,326	3,079
El Salvador	2/	3,954	5,350	5,431
Guatemala	196	3,256	4,346	3,522
Mexico	266	45,908	46,280	52,273
Other	354	3,104	3,272	7,493
Total	6,514	106,942	110,852	120,204
<u>South America:</u>				
Chile	6	12,270	4,890	6,957
Colombia	82	20,234	16,060	19,581
Ecuador	2	7,288	8,358	7,628
Peru	38	11,550	9,774	9,512
Other	60	2,656	8,336	6,095
Total	188	53,998	47,418	49,773
<u>Europe:</u>				
Austria	3/	7,132	3,500	5,318
Belgium-Luxembourg	500	85,784	47,114	70,082
France	70	18,724	20,706	16,745
Germany (Western) 4/	3/ 98	148,646	108,522	107,780
Ireland	2	3,320	5,846	8,657
Italy	308	130,000	158,890	190,832
Netherlands	1,364	159,988	211,376	257,538
Norway	98	3,066	4,518	3,276
Switzerland	112	62,476	25,102	29,146
United Kingdom	514	11,376	9,540	6,346
Yugoslavia	2	22,190	21,456	23,944
Other	230	7,498	17,584	18,093
Total	3,298	660,200	634,154	737,757
<u>Asia:</u>				
Japan	102	217,612	192,614	203,094
Korea	-	7,784	13,268	16,154
Republic of Philippines	50	11,406	11,978	12,152
Taiwan (Formosa)	-	13,728	21,854	23,609
Other	58	12,912	14,164	19,386
Total	210	263,442	253,878	274,395
<u>Africa:</u>				
Egypt	4	46,582	46,828	36,823
Southern Rhodesia	-	2,768	2,114	-
Union of South Africa	14	59,238	58,400	59,074
Other	-	3,834	8,336	9,167
Total	18	112,422	115,678	105,064
<u>Australia and Oceania:</u>				
	96	2	-	-
GRAND TOTAL	10,324	1,197,006	5/1,162,106	5/1,294,129

1/Preliminary. 2/Less than .5 ton. 3/Austria included with Germany. 4/Prior to January 1952, reported as Germany. 5/Includes a small quantity, the final destination of which has not yet been designated.

Compiled from official records of the Department of Commerce.

Exports to Japan, second only to the Netherlands, were up and constituted the bulk of the quantity going to Asia. However, increases also occurred in shipments to Korea, the Philippine Republic and Taiwan. Mexico, Cuba, and Canada were the principal North American destinations, and Egypt and the Union of South Africa the major outlets in Africa.

U. S. EXPORTS OF MEATS AND SAUSAGE CASINGS LARGEST IN 8 YEARS

United States exports of meats and sausage casings during 1955 totaled almost 220 million pounds (product weight), 22 percent more than a year earlier. These exports were the largest since 1947, the last year of substantial exports under the European aid programs following World War II.

Increased exports of fresh and frozen variety meats accounted for much of the increase in exports during 1955. Shipments of these products have increased substantially in recent years. Over 69.5 million pounds were exported in 1955, compared with 45.9 million in 1954 and 29 million in 1953. In 1955 the leading markets were the Netherlands, West Germany, Canada, France, Mexico, the United Kingdom, and Switzerland.

Beef exports during 1955 of 40.7 million pounds were 6.9 million larger than a year earlier and were the largest since 1948. Exports during 1955 included 6.5 million pounds to the United Kingdom and an additional 6.5 million to Greece financed under United States aid programs. The total aid shipments in 1955 were about the same as in 1954 when the principal aid shipments were made to Western Germany, Greece, Italy, and the United Kingdom. Aid shipments in 1953 were considerably larger than in either 1954 or 1955.

United States exports of pork during 1955 totaled 66.3 million pounds, 13.4 million larger than a year earlier but otherwise were the smallest since 1950. Since 1952 exports of pork have been limited by sanitary restrictions imposed by many important importing countries, ostensibly to prevent the introduction of the hog disease, Vesicular Exanthema, from the United States. Although pork prices in the United States are now competitive in many world markets, the exports have not reflected this situation due to the trade barriers. Exports of cured pork to Cuba increased substantially during 1955, and there was a sharp increase in exports of fatbacks to Western Germany.

Exports of natural sausage casings in 1955 continued at relatively high levels for the postwar period. Exports of casings from cattle and sheep (mostly cattle) have increased materially in recent years. But shipments of hog casings in 1955 were below the average for the preceding 5 years.

UNITED STATES EXPORTS OF MEAT AND NATURAL SAUSAGE CASINGS, 1950-55

(Product Weight Basis)

Item	1950	1951	1952	1953	1954	1955
1,000 pounds						
Beef and veal:						
Fresh or frozen	3,015	1,770	3,077	14,898	13,015	18,438
Canned	2,144	2,084	1,297	10,743	6,287	5,094
Pickled or cured	11,360	7,753	10,360	13,090	14,522	17,132
Total beef and veal	16,519	11,607	14,734	38,731	33,824	40,664
Pork:						
Fresh or frozen	4,420	16,306	11,845	6,517	5,293	6,657
Hams and shoulders, cured or cooked	9,047	11,165	12,967	10,753	11,010	14,438
Bacon 1/	27,723	39,814	41,215	7,154	4,675	3,180
Other pork, pickled, salted or otherwise cured:	12,243	10,023	24,862	50,685	27,538	37,076
Hams and shoulders, canned	2/	2/	2,327	1,296	932	1,200
Other pork, canned	4,825	4,942	3,540	3,003	3,445	3,772
Total pork	58,258	82,250	96,756	79,408	52,893	66,323
Lamb and mutton: (except canned)	334	207	374	1,313	827	426
Sausage, bologna and frankfurters:						
Except canned	1,011	1,118	1,188	1,368	1,417	1,887
Canned	1,864	4,154	3,293	3,475	6,413	5,492
Sausage ingredients, cured, Excl. canned	1,464	439	3/	3/	3/	
Meat and meat products, canned n.e.c.	3,959	2,947	1,329	2,270	4,116	2,648
Baby food, canned	2/	2/	322	395	404	478
Total meat exports	83,409	102,722	117,996	126,960	99,894	117,918
Horsemeat (all kinds)	15,040	21,957	19,733	17,072	16,328	13,505
Variety meats (except canned)	2,083	3,419	4,345	29,029	45,922	69,536
Sausage casings, natural hog	9,725	10,823	9,855	6,143	5,859	7,966
Sausage casings, natural n.e.c.	6,664	5,828	6,671	8,515	11,457	11,067
Total meat products	116,921	144,719	158,600	187,719	179,460	219,992

1/Includes Cumberland and Wiltshire sides. 2/Previously included in another category. 3/Not separately classified.
 Foreign Agricultural Service. Compiled from official records of the Bureau of the Census. February 1956.

U. S. EXPORTS OF LIVESTOCK INCREASED IN 1955

United States exports of livestock increased during 1955. Exports of cattle were the largest since 1946; hogs the largest since 1945. Exports of sheep and lambs were the second largest since 1922. As usual, exports were mostly high class breeding animals.

The 34,879 head of cattle exported in 1955 was 13,627 head more than in 1954. Large shipments of breeding cattle have been made to Central and South American countries where there is unusual interest in cattle improvement at this time. The chief export markets for breeding cattle in order of importance during 1955 were Mexico, Venezuela, Colombia, Cuba, Canada, and the Dominican Republic. Smaller numbers were shipped to a fairly large number of countries but principally to Central and South America.

Hog exports totaled 4,378 head in 1955 compared with only 887 in 1954. The principal export outlets were Mexico, Cuba, Colombia, and the Dominican Republic. Smaller markets included Honduras, Venezuela, and the Republic of Korea.

Of the 26,113 head of sheep and lambs exported, 21,517 head were shipped to Canada and 3,272 to Mexico.

UNITED STATES EXPORTS OF LIVESTOCK, 1940-1955

Year	Cattle for Breeding	Other Cattle	Total	Hogs	Sheep and Lambs
- - - - - Number of Head - - - - -					
1940.....	3,473	419	3,892	1,312	844
1941.....	5,302	450	5,752	691	1,612
1942.....	4,465	369	4,834	129	1,404
1943.....	3,857	545	4,402	613	2,523
1944.....	8,401	1,814	10,215	28,504	24,866
1945.....	17,493	2,071	19,564	23,324	4,881
1946.....	39,347	4,019	43,366	3,886	10,937
1947.....	8,677	1,487	10,164	1,546	1,659
1948.....	6,749	561	7,310	695	946
1949.....	4,110	1,286	5,396	438	1,302
1950.....	6,232	2,119	8,351	1,444	2,517
1951.....	6,404	1,991	8,395	935	1,087
1952.....	7,231	3,581	10,812	1,748	6,303
1953.....	10,703	4,087	14,790	1,407	33,888
1954.....	17,316	3,936	21,252	887	11,589
1955.....	24,483	10,396	34,879	4,378	26,113

Foreign Agricultural Service.

Compiled from official records of the Bureau of The Census. February 1956.

NEW ZEALAND SPONSORS WOOL METROLOGY SERVICE

The New Zealand Wool Board has decided to finance the establishment of a scientific wool measuring service which will measure fiber diameter, staple length, crimp and yield. Established as a wool metrology service three metrology units will be set up at Massey Agricultural College, Canterbury Agricultural College, and the Woolen Mills' Research Association's laboratory at Dunedin.

The Wool Board and the 3 research centers concerned have concluded that the application of the science of metrology was fundamental to the progress of wool research. W. Harrabin, chairman of the board said when announcing the decision that "wool metrology, or measurement, is a field where the interest of the producer, the manufacturer, and the scientist converge". Wool measuring laboratories are already advanced in the United States and similar laboratories in Australia are giving an essential service to the industry by providing concise information on fiber diameter, staple length, crimp, and yield and to the wool grower by contributing to improved breeding practices.

The need for scientific measuring of wool was emphasized at the International Textile Research conference, which was held in Australia last year. The establishment of units in New Zealand was recommended by 3 leading wool scientists who visited the Dominion after the conference at the invitation of the Wool Board.

CANADIAN HOG MARKETINGS EXPECTED TO DECLINE

The number of hogs marketed in Canada during 1956 will be about 3 percent below a year earlier on the basis of a recent forecast of the Canadian Department of Agriculture. During January-March hog marketings are expected to be 3 percent greater than a year earlier. However, marketings in April-June probably will be 3 percent below 1955. In July-December 1956 they are expected to fall 6 percent under the large marketings in the second half of 1955.

The above forecast is at variance with the December pig survey report which indicated a 3 percent increase in sow farrowings for the 1956 spring crop (December 1955-May 1956). The current forecast is based on the expectation that actual farrowings will fall below the breeding intentions reported in December due to the low level of hog prices.

Hog prices in Canada are currently averaging around \$4 per 100 pounds below a year earlier. Prices have dropped sharply since summer reflecting the large slaughter and corresponding with the sharp decline which has occurred in the United States.

WORLD SOYBEAN PRODUCTION AGAIN ESTABLISHES NEW RECORD

World production of soybeans in 1955 is estimated by the Foreign Agricultural Service at 762 million bushels. This confirms the November forecast of a record crop, exceeding 1954 estimated output by 6 percent and average prewar production by 64 percent.

Four-fifths of the estimated 45-million bushel increase from 1954 occurred in the free areas of the world, with the United States alone accounting for 30 million bushels. One-fifth of the increase occurred in China-Manchuria.

While supplies of soybeans for the 1955-56 marketing year are large, world demand for edible oils and for oilseed cake and meal also is strong, and soybean prices have increased materially since early fall 1955, when they were the lowest in 5 years. United States exports of both beans and oil have been running higher than a year ago and are likely to continue large throughout the remainder of the current crop year. With a shortage of vegetable oils reported in China, the extent to which the estimated increase in China's production will be reflected in exports is uncertain. Northbound shipments of Chinese soybeans through the Suez Canal increased roughly 50 percent in calendar 1955, reaching 17.8 million bushels in the first 11 months.

Soybean production in the United States in 1955 is estimated at a record 371,276,000 bushels from a record 18,559,000 harvested acres. This was 9 percent above the previous high in 1954 and 56 percent above the 10-year (1944-53) average. With continued restrictions on acreage planted to corn, wheat and cotton in 1955, farmers planted 20,132,000 acres, an all-time high, to soybeans for all purposes. However, drought sharply reduced yields in the western and southwestern "soybelt" and caused considerable damage in parts of Missouri and Arkansas. Most of the increase in United States production came in states other than in the main soybean area.

Contrary to early expectations, soybean production in Canada increased 14 percent to a new all-time high of 5,650,000 bushels despite a 16 percent decline in acreage. This is the twelfth successive year that soybean production has reached a new record, and last year's increase was due entirely to the new high of 26.4 bushels in the average yield per acre. It is reported that although the domestic market could absorb about double the volume of soybeans produced, considerable quantities probably will be exported, largely to the United Kingdom. The deficit is made up by imports of soybeans and soybean oil from the United States. In Canada, soybeans are produced commercially only in Ontario although efforts are being made to introduce the crop elsewhere, particularly in Manitoba.

Production in China-Manchuria is believed to have increased, possibly to 330 million bushels in 1955, compared with an unofficial estimate of 320 million the previous year. This volume of production would indicate that output has not regained the prewar average level of almost 360 million bushels.

1/ Years shown refer to years of harvest. Southern Hemisphere crops which are harvested in the early part of the year are combined with those of the Northern Hemisphere harvested the latter part of the same year. 2/ Figures refer to harvested areas as far as possible. 3/ Preliminary. 4/ Average of less than 5 years. 5/ Acreage harvested for beans. 6/ Less than 500 acres. 7/ One year only. 8/ Java and Madura only. 9/ Beginning with 1948 figures represent South Korea only. 10/ Rio Grande do Sul and Sao Paulo. 11/ Includes estimates for the above countries for which data are not available and for minor producing countries.

Foreign Agricultural Service. Prepared or estimated on the basis of official statistics of foreign governments, reports of Agricultural Attaches and other United States representatives abroad, results of office research, or other information. Prewar estimates for countries having changed boundaries have been adjusted to conform to present boundaries, except as noted.

Japan's harvest was reported at a near-record 18,200,000 bushels or one-third larger than the 1954 crop. Planted acreage was the same as in the previous year, but yields per acre were above average.

Production in Indonesia is unofficially estimated at about 15 million bushels. Output in Taiwan was reported at 882,000 bushels, up one-third from 1954.

The 4,136,000-bushel estimate of Brazil's crop indicates a decline of 4 percent from 1954. The bulk of the output was in Rio Grande do Sul. The recent erection of a large solvent extraction plant in Rio Grande do Sul for processing soybeans is likely to encourage soybean production in that area. There is a strong demand for edible oils in Brazil. Soybeans have not proved popular in states other than Rio Grande do Sul because of a shortage of mechanized equipment and competition from more profitable crops.

Soybean production in Africa is relatively insignificant. Nigeria with a production for export of 325,000 to 350,000 bushels appears to be the major producer.

Another record world crop of soybeans may be produced in 1956. In the United States, soybeans will be supported at a national average price of \$2.15 per bushel or 75 percent of the January 15, 1956 parity price of \$2.87 per bushel. The support price for 1955-crop beans was \$2.04 per bushel (70 percent of parity). The present rising prices and strong domestic and export demand probably will encourage farmers to expand their plantings, but farmers also will be influenced by any changes in Government agricultural programs for 1956, such as the proposed Soil Bank payments. Canadian bean prices normally follow closely prices in United States markets, so that farmers in Ontario, also in response to favorable prices and good demand, probably will increase their acreage. And, the Chinese government can be expected to continue to make efforts to step up production to meet increasing domestic demands as well as to effect an expansion in export markets.

This is one of a series of regularly scheduled reports on world agricultural production approved by the Foreign Agricultural Service Committee on Foreign Crop and Livestock Statistics. It is based in part upon reports of Agricultural Attaches and other U. S. representatives abroad.

CANADIAN WHEAT AND FLOUR EXPORTS FOR JULY-NOVEMBER LOWER THAN YEAR PREVIOUS

Canadian wheat and flour exports during the first 5 months (July-November) of the 1955-56 marketing season amounted to 98 million bushels compared with 117 million during the same period in 1954-55. Wheat exports as grain were 83 million bushels compared with 99 million last year, and flour exports (in grain equivalent) 15 million bushels against 18 million, making a total reduction of 19 million bushels.

Canadian Exports of Wheat and Flour During Stated Periods

Destination	July-November 1954			July-November 1955		
	Wheat	Flour	Total	Wheat	Flour	Total
Thousands of bushels, grain equivalent)						
Western Hemisphere						
United States.....	1,697	159	1,856	2,287	326	2,613
Central America.....	-	782	782	49	907	956
British West Indies.....	9	2,301	2,310	14	2,198	2,212
Cuba.....	374	341	715	228	262	490
Colombia.....	1,056	488	1,544	-	135	135
Venezuela.....	17	1,586	1,603	50	1,661	1,711
Ecuador.....	1,084	2	1,086	543	-	543
Peru.....	-	41	41	209	24	233
Others.....	6	609	615	2	624	626
Total.....	4,243	6,309	10,552	3,382	6,137	9,519
Europe						
Norway.....	1,417	-	1,417	1,797	-	1,797
United Kingdom.....	40,453	6,420	46,873	35,636	4,117	39,753
Ireland.....	1,059	-	1,059	1,211	-	1,211
Netherlands.....	7,208	2	7,210	2,482	-	2,482
Belgium-Luxembourg.....	7,764	-	7,764	6,179	25	6,204
West Germany.....	14,427	187	14,614	8,855	207	9,062
Austria.....	782	-	782	1,739	-	1,739
Switzerland.....	1,869	-	1,869	1,497	-	1,497
Poland.....	-	-	-	1,534	-	1,534
Italy.....	483	31	514	1,323	114	1,437
Yugoslavia.....	3,620	9	3,629	-	7	7
Others.....	400	113	513	1,037	101	1,138
Total.....	79,482	6,762	86,244	63,290	4,571	67,861
Asia						
Israel.....	2,300	-	2,300	355	-	355
India.....	1,470	1/	1,470	-	-	-
Japan.....	9,774	328	10,102	14,001	315	14,316
Philippines.....	-	2,484	2,484	-	2,136	2,136
Others.....	930	889	1,819	629	648	1,277
Total.....	14,474	3,701	18,175	14,985	3,099	18,084
Africa						
Libya.....	112	-	112	-	-	-
British West Africa.....	-	746	746	-	623	623
Union of South Africa....	723	-	723	1,678	-	1,678
Others.....	147	389	536	164	448	612
Total.....	982	1,135	2,117	1,842	1,071	2,913
Oceania.....	-	34	34	-	64	64
World Total.....	99,181	17,941	117,122	83,499	14,942	98,441

The greatest reduction in wheat exports took place in exports to West Germany, the United Kingdom, the Netherlands, Yugoslavia, Israel, Belgium-Luxembourg, India and Colombia. The only substantial increases were in exports to Japan and Poland. With respect to flour, the United Kingdom accounted for the greater part of the reduced exports, although there were minor reductions in exports to a number of Western Hemisphere and Asiatic countries.

EUROPEAN VEGETABLE SUPPLY SHORT AND PRICES SOAR

Wholesale prices of vegetables in Western Europe have risen between 200 and 300 percent since the beginning of the cold wave. The supply of European onions is becoming very scarce. Dutch onions are expected to be sold within a few weeks. Belgian onions are scarce with the demand from Britain, France, West Germany and Sweden greatly exceeding the available supply. A portion of the remaining stocks have been frozen. Italian onions are in limited supply with prices steadily rising. Egypt is expected to begin exporting about 2 million sacks of onions early in March.

The supply of home-grown cabbages, cauliflowers, carrots, celery and onions is small. Cold weather has hampered the handling and transportation of vegetables, particularly root crops stored in pits.

The tomato and potato crops in the Canary Islands have been seriously damaged by high winds and excessive rain.

The British Government has revised the import regulations for French, Belgium, and Netherlands potatoes. With proper grading and plant inspection by the country of origin, potatoes from these countries can be shipped to Britain. Prior to this time, potatoes from France were excluded because of the Colorado potato beetle.

NEW ZEALAND APPLE SEASON OPENS

The first export shipment of New Zealand apples was made on February 23, when 16,000 boxes were shipped to London.

FROST DAMAGE TO ITALIAN FRUIT CROPS

It is too early to accurately appraise the frost damage to the Italian fruit crops. Preliminary reports indicate that citrus on the trees was severely damaged. This varies between areas from light damage in Palermo to severe damage in Paterno.

QUOTAS SET ON SPANISH CITRUS EXPORTS

The Fruit Syndicate in Spain has established weekly citrus export quotas of 11,000 tons for West Germany, 5,500 tons for France, 2,200 tons for Belgium, 2,200 tons for the United Kingdom, 1,600 tons for the Netherlands, and 500 tons for Switzerland. Exports to other countries making outright purchases will be according to demand.

Quotas for Spanish exporters have been established on the basis of one box for each ton exported last season, except exports to France and the Scandinavian markets.

Official inspections have been tightened considerably and even shipments without apparent frost damage are being sharply reduced.

Spanish citrus exports were scheduled to resume on February 28 with the above quotas in effect. The Fruit Syndicate will review the situation on March 12.

IRELAND ANNOUNCES APPLE PRODUCTION PLAN

Ireland's Department of Agriculture has set up a 10-year plan to develop apple growing in the southern counties of the country. A total of about 500 acres of apples are to be planted under the plan, with some 75 acres scheduled to be planted next week.

Under the plan, payments are made to members of the Cooperative Fruit Growers' Society of Dungarvan for new plantings and maintenance of orchards. Old orchards are being improved and technical assistance is available for growers.

1956 ALMOND CROP IN BARI AND SICILY DAMAGED BY WEATHER

The extent of damage to the 1956 Italian almond crop is still undetermined. In the Bari district, flowering was not far advanced, except along the coast, when the cold wave struck. However, in the higher elevations low temperatures caused undetermined damage to trees not yet flowering. Only with mild weather during the next week or two can this effect be appraised. The coastal regions, not especially important in Bari production, are said to have been hard hit.

In Sicily, reports indicate that damage was due more to high winds and heavy rain than to low temperatures. One shipper estimated that more than two-thirds of the trees were in bloom at the time. As in Bari, an appraisal of the situation must wait for warmer weather to permit a district-by-district survey.

WINTER VEGETABLE OUTLOOK WEST COAST OF MEXICO

Freezes from February 3 to February 5 apparently damaged Mexican West Coast vegetables about 60 percent. Based on crop conditions prior to the freeze, export shipments were estimated at about 8,200 cars. It now appears that total shipments for export will not exceed 3,250 carloads which includes the 1,000 cars shipped prior to the freeze. This compares with 3,846 cars last season and 7,825 cars in the 1953-54 season.

Total shipments will depend to some extent on market prices in the United States during April and May because the late plantings were not damaged as severely as the earlier plantings.

THE DAIRY SITUATION IN
THE U. K. IN 1955

The dairy herd in the United Kingdom in 1955 was nearly 2 percent below that of 1954, reflecting the emphasis being placed on increasing beef production. This decline occurred in all countries of the United Kingdom, but was most in evidence in Northern Ireland. Despite this downward trend, dairy cow numbers in 1955 were still about 15 percent above prewar.

Milk production, based on sales through the Milk Marketing Schemes, is estimated at approximately 98 percent of the record output for 1954. Production in the early part of the year was hampered by shortages of feed resulting from the poor hay and grain harvests of 1954. During the late summer, production was further curtailed by the effects of a prolonged spell of hot, dry weather. Milk yields per cow are believed to have been maintained at the 1954 level of 6,345 pounds. Before the war, the average yield per cow was 5,583 pounds.

Very little change occurred in fluid consumption in 1955, compared with 1954. Compared with prewar, however, consumption in 1955 increased 76 percent. Milk available for manufacturing purposes was 8 percent below the 1954 level, 2 percent below prewar.

The pattern of utilization of milk for manufacturing underwent marked change in 1955. Of total supplies of milk for manufacturing in 1955, 46 percent was used for evaporated, condensed and dried milk, chocolate crumb and both fresh and sterilized cream. (In 1954, these commodities took 34 percent of manufacturing supplies.) Thus, much less milk was available for butter and cheese factories in 1955. Of this, 19 percent was used for butter (24 percent in 1954) and 34 percent for cheese (41 percent in 1954).

Butter production in 1955 declined 31 percent below the previous year and 21 percent below prewar. Factory cheese production was down 24 percent, compared with 1954, but was almost twice as great as prewar output. The upward trend in farm cheese production, apparent for several years, continued in 1955, when output was 3 percent above 1954. However, 1955 production was considerably smaller than prewar.

BRITAIN CUTS MILK SUBSIDY

As part of its economic retrenchment program, the British Government has announced that the consumer milk subsidy will be reduced from \$104 million to \$56 million on July 1, 1956; this reduction will not affect the school milk or welfare milk schemes. The reduction will add almost 1 cent a quart to the consumer price for milk.

FRENCH TRADE APPROVES U.S. BUTTER

A shipment of 125,000 pounds of unsalted butter from the United States has just been received in France as the initial shipment of total exports of 2 million pounds to be financed through the U. S. International Cooperation Administration program.

Upon arrival the butter was sampled by a group of French butter dealers, dairy trade representatives and French Government officials who pronounced the butter color equal to the best French butter and the taste and texture on a par with the best quality Danish and Dutch butter. The French importers were said to be highly pleased with the quality of the butter.

France has not been a purchaser of United States butter, although from 1949 through 1953 it imported more than 30 million pounds annually. United States sources show that since the war the only United States butter imports were 6,000 pounds in 1954.

NETHERLANDS PRESENTS DAIRY PLANT TO INDIA

The Netherlands Government has presented India with a small dairy plant for use by the National Dairy Research Institute at Karal. The installation includes a bottling and pasteurizing unit, a milk powder machine, and other equipment customarily used in dairy manufacture.

The presentation was made by Netherlands Minister of Agriculture, S. L. Mansholt, while on an official visit to India, in appreciation of India's help during the 1953 floods in the Netherlands.

MORE ARGENTINE BUTTER IN EXPORT

Information from Argentina indicates that an additional 11 million pounds of butter will be available for export through March 14. This will make a total of 19.8 million pounds released for export during the first quarter of 1956. Previous allocations were sold at bid prices ranging from 41.5 cents to 47.6 cents a pound (see Foreign Crops and Markets, Jan. 23, 1956).

It is further reported that the quota system will continue only through October 1956. After that date Argentine exporters will be allowed to export at will.

CUT IN DUTIES ON PEANUT EXPORTS
FROM PORTUGUESE GUINEA

Because of difficulties that have been experienced in selling leading export products of Portuguese Guinea, the Portuguese government recently (January 30, 1956) decreed a cut in the export duties on peanuts (both shelled and unshelled) and other export commodities including palm oil, coconuts, and other oilseeds not specified.

Under the decree the new applicable duties consist of 1 percent ad valorem plus a surtax of 7 percent applied to the 1 percent duty. Formerly basic rates were 8 percent ad valorem in each case except for unshelled peanuts on which the duty was 7 percent. Other changes were levied, however, which brought total charges up to about 14 percent.

The new measure provides that the Minister for Overseas is authorized to increase or reduce the present surtax as well as to suspend settlement and collection of the surtax either temporarily or indefinitely. These changes in rates can be made by executive order of the Ministry. Under the former provisions of the tariff the complex rate structure could not be quickly changed.

U. S. FISH OIL EXPORTS
AGAIN AT RECORD HIGH

Fish oil exports from the United States reached a record 71,316 short tons in 1955, an increase of about 1 percent from the previous high of 70,817 tons in 1954. Western Europe was again the largest importer of United States fish oils, although the total was down approximately 5 percent from 1954. This decrease was due to exports to the Netherlands which dropped almost 8 percent. In contrast, exports to Canada were up about 50 percent from the previous year.

(Table on following page)

UNITED STATES: Fish oil exports by country of destination,
average 1935-39, annual 1952-55
(Short tons)

Country of destination	Average : :1935-39	1952	1953 1/	1954 1/2/	1955 1/
NORTH AMERICA:					
Canada.....	458:	488:	2,108:	7,511:	11,251
Cuba.....	155:	100:	87:	126:	83
Mexico.....	45:	122:	114:	118:	81
Other.....	71:	3:	1:	-	1
Total.....	729:	713:	2,310:	7,755:	11,416
SOUTH AMERICA:	96:	38:	63:	148:	56
EUROPE:					
Belgium-Luxembourg.....	8:	8:	764:	-	1,098
France.....	19:	149:	7:	-	9
Western Germany.....	126:	6,232:	36,155:	10,481:	10,503
Italy.....	15:	220:	28:	85:	106
Netherlands.....	15:	11,967:	8,913:	43,692:	40,260
Norway.....	10:	-	1,606:	1,102:	6,140
Switzerland.....	15:	3,140:	3,115:	5,797:	646
United Kingdom.....	77:	-	299:	1,376:	881
Other.....	15:	43:	23:	27:	23
Total.....	300:	21,759:	50,910:	62,560:	59,666
ASIA:					
Philippines, Republic of:	66:	546:	860:	233:	-
Other.....	24:	20:	37:	51:	55
Total.....	90:	566:	897:	284:	55
OTHER:	19:	3:	53:	70:	68
Grand total.....	1,234:	23,079:	54,233:	70,817:3/	71,336

1/ Preliminary. 2/ Revised. 3/ Includes 75 tons the destination of which has not yet been designated.

Compiled from official records of the Department of Commerce.

JAPAN'S COTTON IMPORTS
BELOW LAST YEAR

Japan's cotton imports amounted to 370,000 bales (500 pounds gross) in the August-October 1955 quarter, dropping 19 percent from imports of 456,000 bales in the comparable period of 1954. A much sharper decline was registered in imports from the United States which dropped 65 percent from the 178,000 bales imported in August-October 1954 to 63,000 bales in the current period. Declines were also shown in imports from all other areas with the exception of Nicaragua, El Salvador, India, and Pakistan.

JAPAN: Imports of cotton from major countries
of origin; average 1935-39; annual
1952-54; August-October 1954 and 1955

(Equivalent bales of 500 pounds gross)

Country of origin	Year beginning August 1				August-October	
	Average	1952	1953	1954	1954	1955
	1935-39					
	1,000	1,000	1,000	1,000	1,000	1,000
	bales	bales	bales	bales	bales	bales
Afghanistan.....	1/	6	17	15	3	3
Argentina.....	1/	46	80	14	1	2/
Brazil.....	203	30	210	245	79	47
British East Africa.....	66	31	21	10	2	3
Burma.....	1/	47	49	36	2	2
Egypt.....	140	85	93	76	18	17
El Salvador.....	1/	0	12	23	2	18
India.....	1,251	172	68	83	10	51
Iran.....	1/	19	62	26	7	3
Mexico.....	1/	503	476	489	112	84
Nicaragua.....	1/	8	22	25	9	26
Pakistan.....	3/	439	311	207	27	38
Paraguay.....	1/	11	2	9	2	1
Peru.....	1/	20	12	17	4	4
Sudan.....	1/	12	1	2	0	2/
Turkey.....	4/ 7	1/	49	1	2/	0
United States.....	1,127	625	942	753	178	63
Other countries.....	5/ 383	1	4	6	0	10
Total.....	3,177	2,055	2,431	2,037	456	370

1/ If any, included in "Other countries." 2/ Less than 500 bales. 3/ Included in India. 4/ 4-year average. 5/ China 232.

Source: All Japan Cotton Spinners Association.

Cotton mill consumption in Japan during the first 4 months (August-November) of the 1955-56 marketing year amounted to 624,000 bales, down 13 percent from consumption of 714,000 bales in the comparable period a year earlier. Nonmill consumption of cotton is estimated at approximately 10,000 bales per month.

The number of operable spindles at the end of November 1955 was 8.1 million, an increase of 82,000 spindles over the preceding month. The rate of spindles in operation to those which were operable increased appreciably from 67 percent in October to 80 percent in November, the improvement being attributed primarily to recovery from a strike in October. The 300,000 looms operated in November amounted to 78 percent of the 385,000 looms operable.

Production cutbacks by weavers and spinners in response to Government recommendations reduced the stockpile of finished products by the end of November to nearly normal levels. The cutback rate was lowered from the 16 percent in effect since August 1955 to 12 percent for December and January.

The Government's plan for regulation and restriction of exports of cotton textile products to the United States, announced December 22, 1955, and effective January 1, 1956, will limit total volume of such exports and impose individual export quotas for specific items which offer sharp competition with American goods. A "reverse link system" is also being considered for manufacturers, under which the quantities of United States cotton used would be related to exports of finished products to the United States.

Japan's cotton mill stocks on November 30, 1955, were estimated at 408,000 bales, down 4 percent from stocks of 425,000 bales held July 31, 1955.

PAKISTAN'S COTTON EXPORTS INCREASE OVER LAST YEAR

Pakistan's cotton exports during the first 4 months (August-November) of the 1955-56 marketing year amounted to 187,000 bales (500 pounds gross) or more than double the 92,000 bales exported in the comparable period of the previous year.

Most of the increase was in exports to Communist China, with 72,000 bales in the current period as compared with only 5,000 bales a year earlier. Increased exports to Japan were largely offset by reduced shipments to Hong Kong. Moderate increases were shown for all other areas with the exception of France, Sweden, the United Kingdom, and India.

Pakistan's 1955-56 cotton crop is currently estimated at 1,300,000 bales, down about 7 percent from the earlier estimate of 1,400,000 bales and about equal to the 1954-55 crop. Estimates of the 1955-56 crop were reduced because of floods during the early part of the harvest period. Acreage for the 1955-56 crop is estimated at 3,100,000 acres or about 3 percent less than the 1954-55 area of 3,185,000 acres.

Cotton consumption in Pakistan amounted to 348,000 bales in the first 5 months (August-December) of the 1955-56 season, increasing 33 percent over consumption of 262,000 bales in the similar period of the previous year. Mills were operating at full capacity, producing coarse and medium quality textiles and yarns for the local market.

PAKISTAN: Exports of cotton by countries of
destination; annual 1949, 1952-54;
August-November 1954 and 1955

(Equivalent bales of 500 pounds gross)

Country of destination	Year beginning August 1				August-November	
	1949	1952	1953	1954	1954	1955 <u>1/</u>
	<u>1,000</u> <u>bales</u>	<u>1,000</u> <u>bales</u>	<u>1,000</u> <u>bales</u>	<u>1,000</u> <u>bales</u>	<u>1,000</u> <u>bales</u>	<u>1,000</u> <u>bales</u>
Belgium.....	8	27	15	16	1	4
Czechoslovakia.....	18	0	0	0	0	0
France.....	103	80	72	47	8	8
Germany, West.....	29	89	32	21	2	10
Italy.....	36	52	62	32	3	9
Netherlands.....	12	9	3	3	<u>2/</u>	2
Poland.....	27	0	0	0	0	0
Spain.....	23	48	9	<u>2/</u>	0	0
Sweden.....	2	15	10	7	2	0
United Kingdom.....	51	103	88	63	13	7
Yugoslavia.....	21	0	0	0	0	0
Australia.....	20	26	35	23	3	10
India <u>3/</u>	31	10	19	2	2	0
Hong Kong.....	197	101	97	71	22	3
China.....	39	97	153	101	5	72
Japan.....	123	517	262	226	27	44
United States.....	3	9	12	12	3	13
U.S.S.R.....	86	63	0	0	0	0
Other countries.....	25	27	24	10	1	5
Total.....	854	1,273	893	634	92	187

1/ Preliminary. 2/ Less than 500 bales. 3/ Includes French India, under India's control since November 1954.

Source: Government of Pakistan--Ministry of Commerce and Education; Agricultural Attaches and other United States representatives abroad.

A new feature of mill activity in recent months has been the production of cotton yarn (mostly 20's and 30's) for export. More than 2.5 million pounds were exported in the 4 months, August-November, principally to Hong Kong and Burma. There are no export taxes on cotton yarns.

Cotton stocks on August 1, 1955, were estimated at 235,000 bales, down about 10 percent from the 260,000-bale stocks held a year earlier.

INDIAN LINSEED OIL EXPORTS THROUGH OCTOBER NEARLY TWICE THE
RECORD 1952 TOTAL; ALL OIL AND SEED PRICES ADVANCE SHARPLY

Ample supplies and continuation of the Government's free licensing policy pushed Indian exports of linseed oil for the first 10 months of 1955 to nearly 69,000 short tons. This compares with 1,510 tons during the same period of 1954 and with the previous record of 37,000 tons for the whole of 1952; it represents an increase of 30,000 tons over the level reached at the end of June. The bulk of the oil was bought by the United Kingdom; most of the remainder went to Australia.

On the basis of the Ministry of Agriculture's first estimate, the 1956 flaxseed area is indicated to be about the same as last year's 3.3 million acres.

Exports of peanuts slowed down during the second half of 1955, as Government allocations were nearly exhausted. However, peanut oil continued to move out at a high rate; exports--chiefly to the Netherlands, Burma and Belgium--reached 162,000 tons at the end of October. Castor oil exports, also freely licensed, continued to run well ahead of 1954; the bulk of the 37,000 tons shipped through October was shared about equally between the United States and the United Kingdom.

INDIA: Exports of specified vegetable oilseeds and oils,
calendar years 1953-54 and January-October 1954-55

Commodity	1953	1954	January-October	
			1954	1955
			Short tons	
Linseed oil.....	8,189	3,205	1,510	68,880
Rape and mustard oil.....	210	535	481	784
Peanut oil.....	17,195	31,002	10,318	161,616
Peanuts.....	11,378	8,705	8,394	33,331
Castor oil 1/.....	31,503	26,044	21,444	36,736

1/ Exports of castorbeans were not permitted during 1953-55.

Source: Accounts Relating to the Foreign (Sea, Air and Land) Trade and Navigation of India.

Mostly as a result of the Government's liberalized export policy, prices of both oilseeds and oils firmed tangibly during the fall and winter. Most of the increase took place in late December and January. Peanut oil in Bombay rose from an October 1 low of Rs 33/1 per maund of 82 pounds (8.4 cents per pound) to Rs 42/4 (10.8 cents) on January 14, linseed oil from Rs 39/11 (13.6 cents) to Rs 53/4, castor oil at Kanpur from Rs 22/8 (5.7 cents) to Rs 33/8 (8.6 cents). Bombay Bold peanuts were quoted at Rs 20/12 per maund (\$106 per short ton) on January 14, up from Rs 15/8 (\$79) on October 1.

After a 12-year interval, the Government is permitting a resumption of futures trading in oilseeds and oils, with the exception of linseed oil and castor oil, initially at eight trading centers.

Oilcake exports, totaling over 150,000 short tons through October (mostly to the United Kingdom and continental Europe) also showed the effects of a more liberal export policy. Shipments consisted of about 110,000 tons of peanut cake and 22,000 tons of linseed cake.

Free export licensing of linseed oil will continue until further notification; of castor, nigerseed and kardiseed oils at least through June. Limited quotas of sesame seed and oil are being allotted during the first quarter of 1956. Peanut oil quotas as announced on last October 22, originally to be valid only through December 31, were later extended to the end of February. The validity of current HPS peanut quotas was extended to the end of March.

ITALY ENDS AUCTIONS OF SEED OILS UNTIL FURTHER NOTICE

The February auction of Government-held seed oils in Italy was the last such auction until further notice. At this auction 6,000 metric tons of crude oil were put up for sale and the entire amount was sold. Prices were reportedly slightly higher than those received at the December auction (approximately 29.4 cents per pound for soybean oil and 30.1 cents per pound for peanut oil).

Remaining stocks of crude oil are estimated to be 9,000 tons which, for the present, the Government has decided to hold in reserve. It is thought in some quarters that much of the oil imported under U. S. Public Law 480 will go into this Government "pool".

Also in reference to seed oils, the Minister of Finance has presented a decree in the Chamber (lower house of Parliament) asking that the quota of seed oil which can be held in warehouses by the retailer be increased from 1 to 2 quintals (1 quintal = 220 pounds), without specific government formalities. This facility was requested by the association of retailers in view of the fact that seed oil is in greater demand this year owing to the poor olive harvest.

Linseed oil imports into Italy were recently excepted from a regulation which requires importers to purchase a certain amount of oil from government stocks in order to receive import certificates. This exception was applicable only if a confirmed and irrevocable letter of credit was available before October 26, 1955. Applications which had already been presented, and similar ones which were presented up to February 20, 1956, were accepted by the Ministry of Foreign Trade, which handles these matters.

WEATHER DATA INDICATE HEAVY DAMAGE TO OLIVE TREES IN FRANCE;
MAJOR SPANISH OLIVE AREAS PROBABLY NOT AFFECTED

Olive trees throughout the South of France may have been seriously damaged, if not killed, by severe and reportedly unprecedented frost. Minimum temperatures ranging from 14 degrees Fahrenheit at Nice down to 1 degree at Montpellier were registered during February. Olive trees are likely to suffer more or less extensive and permanent damage from temperatures of 16 degrees Fahrenheit or less.

Since frost damage in Spain is reportedly confined to the east coast, where only a small part of the country's olive production is located, there will probably be no tangible effect on Spanish olive production. Moreover, preliminary information indicates that temperatures even on the east coast may not have been severe enough to hurt olive trees.

No reliable information on Italy is available at this time.

It should be noted that virtually all olives from the 1955-56 crop had presumably been picked by the onset of the cold wave throughout the Mediterranean area, and that olive trees are now in the vegetative phase. Thus, any deleterious effect on future crops could only be the result of temperatures severe enough to damage or kill the trees themselves.

FOREIGN CROPS AND MARKETS

Published weekly to assist the foreign marketing of U. S. farm products by keeping the nation's agricultural interests informed of current crop and livestock developments abroad, foreign trends in production, prices, supplies and consumption of farm products, and other factors affecting world agricultural trade. Circulation is free to persons in the U. S. needing the information it contains.

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